

GAIL W. SPONSELLER LAKESIDE A1 STATE
NE SE 36-9N-22E NAVAJO CO. 804

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY
				DRILLED BY CABLE TOOL
				PRODUCTIVE RESERVOIR
				INITIAL PRODUCTION

[illegible]

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG _____
			SAMPLE DESCRP. _____
			SAMPLE NO. _____
			CORE ANALYSIS _____
			DSTs _____

REMARKS	APP. TO PLUG
Permit expired	PLUGGING REP.
	COMP. REPORT

WATER WELL ACCEPTED BY _____

BOND CO. Surety Ins. Co. of CA BOND NO. 530201

BOND AMT. \$ 5000 CANCELLED DATE 4-6-82 ORGANIZATION REPORT X

FILING RECEIPT 2245 LOC. PLAT X WELL BOOK X PLAT BOOK X

API NO. 02-017-20020 DATE ISSUED 4-12-82 DEDICATION E/2 SE/4

PERMIT NUMBER 804

(over)

SURETY INSURANCE COMPANY OF CALIFORNIA
P.O. BOX 2430
LA HABRA, CALIFORNIA 90631-1630

ALC 11 1
MAR 21 1983
G & G CONS. COMM.

OK
RAY

REQUEST FOR BOND STATUS

STATE OF ARIZONA
OIL & GAS CONSERVATION COMM.
1645 WEST JEFFERSON, STE 420
PHOENIX, AZ 85007

MARCH 18, 1983
ACCT NO. 4-10-69512
BOND NO. 530201
TERM 3/18/82- 3/18/83

RE CONTRACT NO. OR DESCRIPTION Drill a well or wells for oil, gas or stratigraphic
purposes: T9N R22E, Navajo County, Arizona State Section 36. E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
30 Acres. NE $\frac{1}{4}$ SE $\frac{1}{4}$ 40 Acres. E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ 10 Acres. Total: 80 Acres

CONTRACT PRICE \$5,000.00

CONTRACTOR SPONSELLER, GAIL W.

THIS COMPANY IS SURETY ON THE BOND COVERING THE ABOVE CONTRACT. WE WILL APPRECIATE YOUR PROVIDING US WITH THE INFORMATION REQUESTED BELOW WITHIN TEN DAYS, RETURNING IT TO US IN THE ENCLOSED SELF-ADDRESSED ENVELOPE.

IF WORK IS COMPLETED

DATE OF ACCEPTANCE _____ DATE OF COMPLETION _____
FINAL CONTRACT PRICE _____ AMOUNT PAID CONTRACTOR _____
HAS CONTRACTOR PAID HIS LABOR AND MATERIAL BILLS _____

IF WORK IS NOT COMPLETED

PERCENTAGE OF WORK COMPLETED _____ ESTIMATED COMPLETION DATE _____
AMOUNT PAID TO CONTRACTOR _____ AMOUNT DUE CONTRACTOR _____
IS WORK SATISFACTORY _____ IS WORK PROGRESSING ON SCHEDULE _____
ARE LABOR AND MATERIAL BILLS BEING PAID ON TIME _____

REMARKS This well has not been drilled & the drilling permit
has expired. Expiration
date 9-25-82

AUTHORIZED REPRESENTATIVE OF OBLIGEE

SIGNATURE

TITLE

R. G. - yana

Enforcement Director

Form 9-331 C
(May 1963)

RECEIVED

JUN 9 1982

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Sent Unapproved Copy
USFS, Springerville, AZ
Form approved J. STOUT, ELY NV
Budget Bureau No. 42-R1425

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Gail W. Sponseller

3. ADDRESS OF OPERATOR
P O Box 488, Corona, CA 91720 (714) 735-6748

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
We will be drilling vertically only Appx. 2000'
At proposed prod. zone Fr. SE cor. sec. 930'N, 330'W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
2 miles North East

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)
1/8 mile

16. NO. OF ACRES IN LEASE
1,348

17. NO. OF ACRES ASSIGNED
TO THIS WELL
80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
None

19. PROPOSED DEPTH
2000'

20. ROTARY OR CABLE TOOLS
Rotary

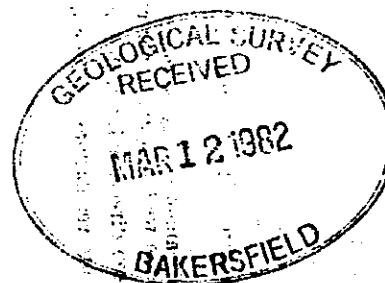
21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,500' A.S.L.

22. APPROX. DATE WORK WILL START*
4-15-82

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8"	7"	29 lbs.	200'	65 sacks portland

- A) Well will be drilled vertical only appx. 2,000'
B) See drilling operations plan



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Gail W. Sponseller TITLE owner DATE 3-11-82

(This space for Federal or State office use)

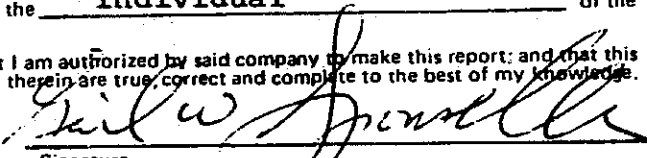
PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY J. P. Wagner TITLE Dist. Supervisor DATE 5-24-82

CONDITIONS OF APPROVAL, IF ANY: J. P. Wagner

cc: DMM O & G, Western Region
Oil & Gas Conservation Division
Phoenix, Arizona
MMS, J. Stout, Ely Nevada

SEE ATTACHED CONDITIONS AND REQUIREMENTS

804

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER		
APPLICATION TO DRILL <input checked="" type="checkbox"/>	RE-ENTER OLD WELL <input type="checkbox"/>	RECEIVED APR 9 1982
NAME OF COMPANY OR OPERATOR Gail W. Sponseller		D & G CONS. COMM.
Address P O Box 488		City Corona
		State CA
Drilling Contractor Southwest Drilling and Exploration, Inc.		Address 1199 W. 980 North St., N. George, Utah 84770 (801) 673-3526
DESCRIPTION OF WELL AND LEASE		
Federal/State or Indian Lease Number, or if fee lease, name of lessor Fed A 16834	Well number Lakeside A-1 State	Elevation (ground) 6,500' a.s.l.
Nearest distance from proposed location to property of lessor 330' from FEL	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: None	
Number of acres in lease 1348.00 acres	Number of wells on lease, including this well, completed in or drilling to this reservoir: 1	
If lease, purchased with one or more wells drilled, from whom purchased: None	Name None	Address None
Well location (give footage from section lines) 930' FSL 330' FEL	Section—township—range or block and survey T9N-R22E Sec 36 ne ne	Dedication (Comply with Rule 105) 80 acres E/2 SE/4
Field and reservoir (if wildcat, so state) wildcat	County Navajo	
Distance in miles, and direction from nearest town or post office 2 miles northeast from well site to city of Pinetop		
Proposed depth: 2,000 ft	Rotary or cable tools rotary	Approx. date work will start 4-15-82
Bond Status enclosed	Organization Report On file	Filing Fee of \$25.00 Attached X
Amount \$5,000.00	Or attached X	
Remarks:		
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>individual</u> of the <u>individual</u> (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.		
Signature  Date 3-31-82		
Permit Number: 804	STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application to Drill or Re-enter File Two Copies	
Approval Date: 4-12-82		
Approved By: R. A. yfana		
Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.		
Form No. 3		

1. Operator shall outline the dedicated acreage for *both* oil and gas wells on the plat.

2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.

ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.

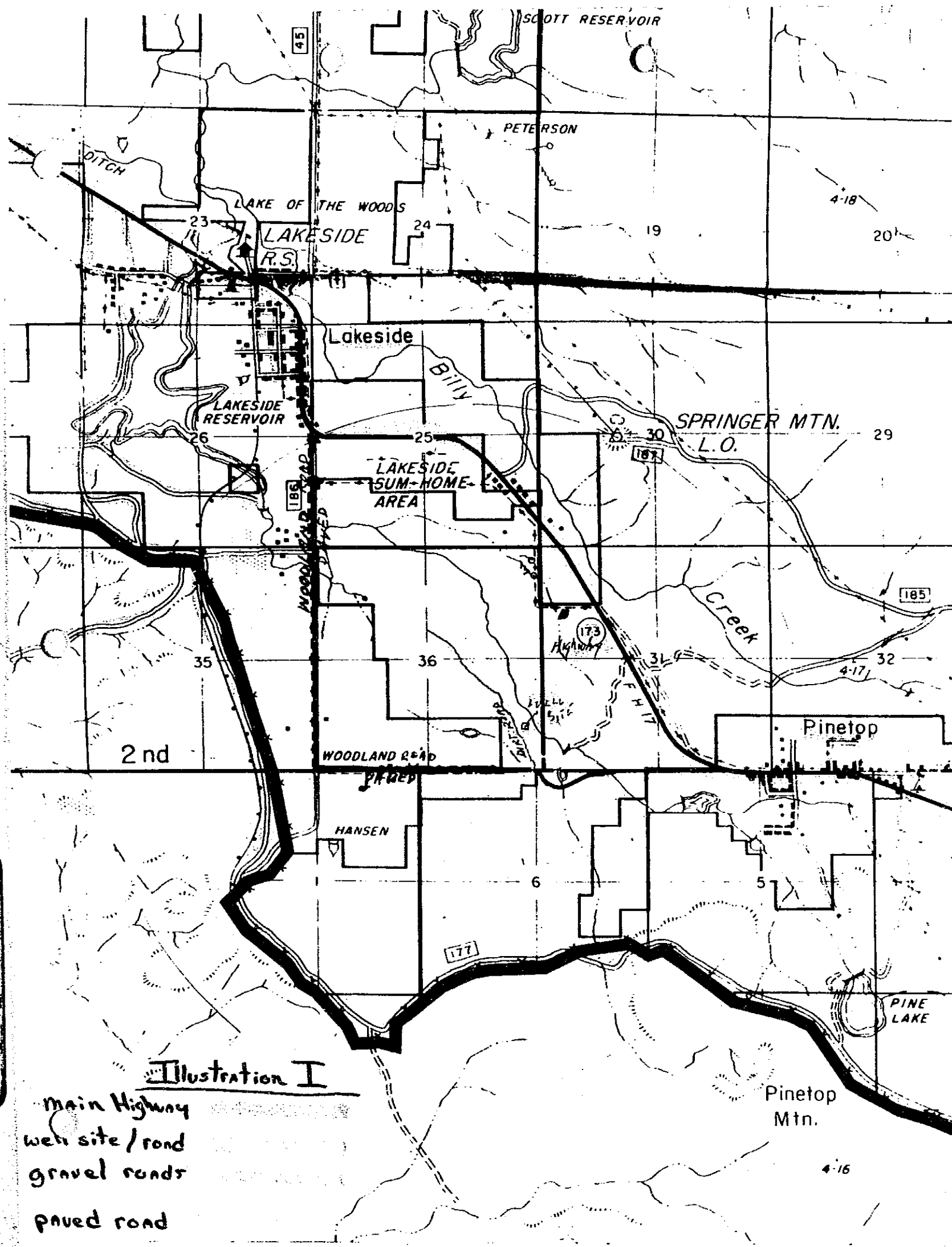
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐

5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____

6. If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description
<div><div><div>SEE PLAT ATTACHED</div><div>36</div></div><div><div>CERTIFICATION</div><div>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</div><div>Name _____</div><div>Position _____</div><div>Company _____</div><div>Date _____</div><div>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</div><div>Date Surveyed _____</div><div>Registered Professional Engineer and/or Land Surveyor _____</div><div>Certificate No. _____</div></div></div>	

PROPOSED CASING PROGRAM						
Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
7"	#29	3/8 wall 8 round	gnd level	200'	200'	65 sacks
						portland



- main Highway
- wet site / road
- gravel roads
- paved road

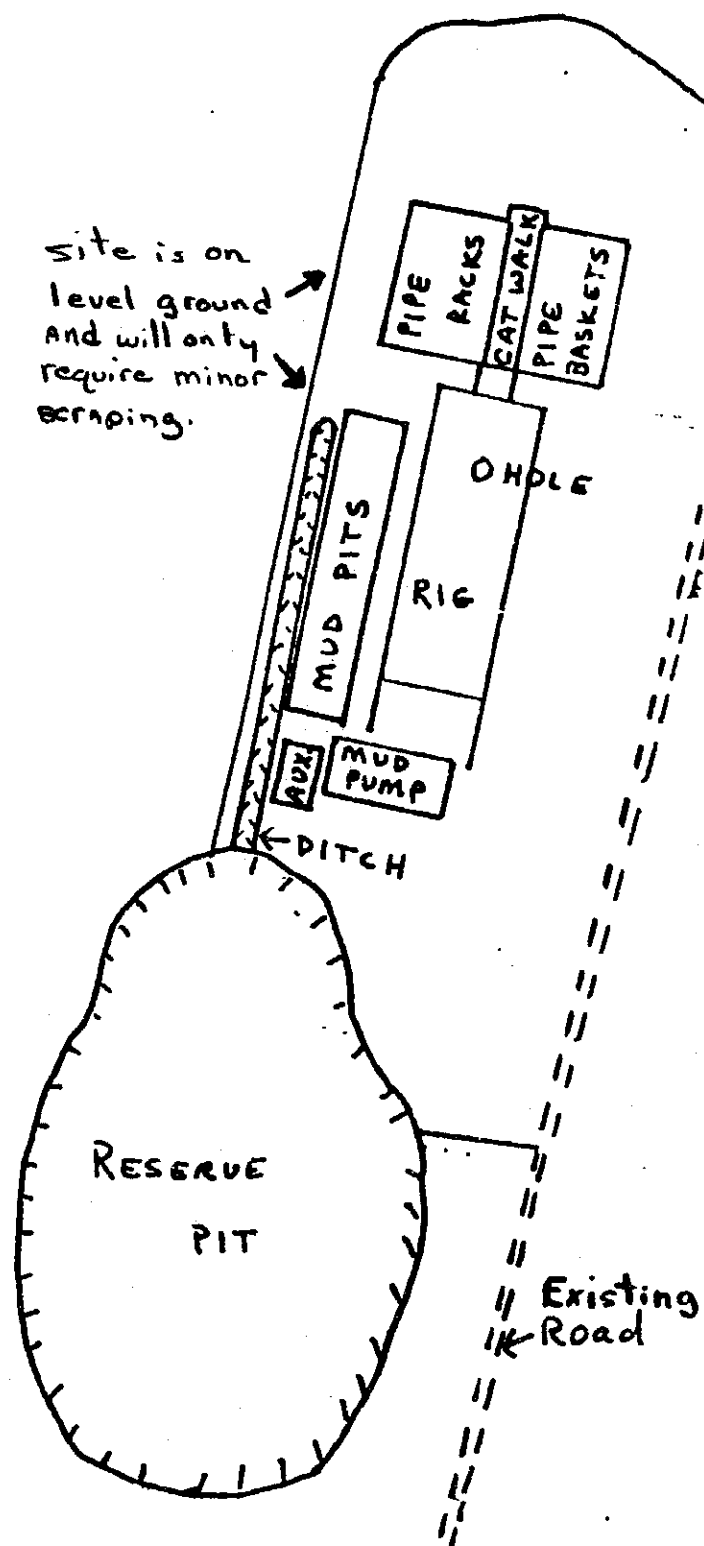
paved road

Illustration #II

Scale:
1" = 50 FT.



site is on
level ground
and will only
require minor
scrapping.



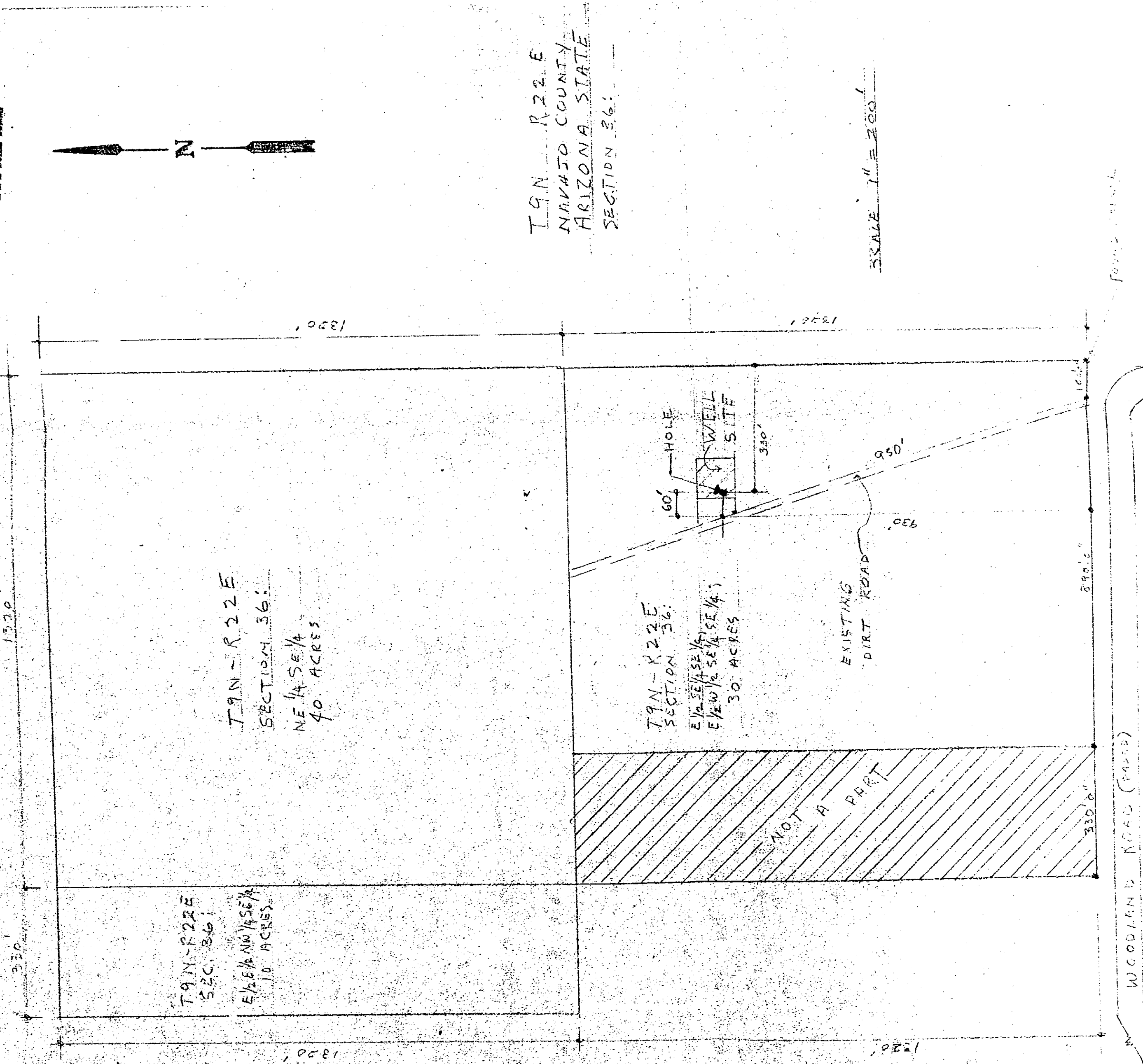
I, hereby certify that the information below is true and complete to the best of my knowledge and belief.

NAME: GAIL W. SPONSELLER *Gail W. Sponseller*
POSITION: Owner
COMPANY: Individual
DATE: 3-11-82

I, hereby certify that I have reviewed the plan shown herein and that it properly shows the location of the proposed well site.

[Signature]
REGISTERED SURVEYOR #123456789 3070 (ARIZONA)

RECEIVED
APR 9 1982
O & S CONS. COMM.



WOODLAND ROAD (FARMS)



PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: GAIL W. SPONSELLER
(OPERATOR)

to drill a well to be known as
LAKESIDE A1 ~~SEASIDE~~ Federal
(WELL NAME)

located 930' FROM SOUTH LINE & 330' FROM EAST LINE (NE SE)

Section 36 Township 9 NORTH Range 22 EAST, NAVAJO County, Arizona.

The E/2 OF SE/4 of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 12th day of April, 1982.

OIL AND GAS CONSERVATION COMMISSION

By R. A. [Signature]
EXECUTIVE SECRETARY

PERMIT N^o 804

RECEIPT NO. 2245
API NO. 02-017-20020

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

TEN FOOT SAMPLES ARE REQUIRED FROM SURFACE

January 27, 1983

Mr. Gail W. Sponseller
P.O. Box 488
Corona, CA 91720

Dear Mr. Sponseller:

P/2804
This letter is to inform you that your permit to drill Lakeside 1 Federal has expired and is no longer valid. If you plan to drill the well sometime in the future you will have to refile for a permit.

Also I wish to remind you that we have not heard from you regarding our letter of October 5. A copy of this letter is enclosed.

Please give this matter on delinquent records your serious attention or I may be forced to turn this matter over to the Attorney General's office.

If you have any question on these records, please call.

Sincerely,

R. A. Ybarra
Enforcement Director

RAY:os
Enc.

June 25, 1982

Gail W. Sponseller
Sponseller Construction Co.
310 N. Cota, Ste. N
Corona, Calif. 91720

Re: Permit 802 - Sponseller 1 Sponseller
Permit 804 - Sponseller Lakeside Al Federal ✓

Dear Mr. Sponseller:

This is to advise you that we have extended the two above permits
for 90 days from the date of this letter.

If we can be of further service, please advise.

Sincerely,

R. A. Ybarra
Enforcement Director

/os



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

X
Water Res.
X
802
See other cross
files f/lt.
from Water
Res.

May 18, 1982

Mr. Edward A. Nemecek
Chief Hydrologist
Department of Water Resources
99 E. Virginia Avenue
Phoenix, Arizona 85004

Re: Sponseller 1 Sponseller
SE NE 35-9N-22E
Navajo County
State Permit No. 802

Sponseller Lakeside
A-1 Federal
NE SE 36-9N-22E
Navajo County
State Permit No. ~~802~~

Dear Mr. Nemecek:

This is to acknowledge receipt of your letter of May 11, 1982 pertaining to surface pipe requirements on the proposed Sponseller hole in the Lakeside area.

On receipt of Mr. Sponseller's application, I contacted E. L. "Doc" Gillespie of Holbrook, a hydrologist who handles the majority of the water well drilling construction in the Show Low-Lakeside-Pinetop area. Mr. Gillespie informed me that fresh water could extend to a depth of 1500-to 1600', which would include the top member of the Supai formation.

I immediately reached Mr. Sponseller by phone and informed him of this potential and told him that there was a strong possibility that he would have to cement 1500-to 1600' of pipe back to the surface. He was unhappy with this information, but he did say he would do whatever was necessary.


We intend to require Mr. Sponseller to drill with a mud program adequate to contain all formation fluids to their own formation and, should he be fortunate enough to find oil or gas production in the 2000' of hole he plans to drill, it would be just as cheap for him to cement his long string all the way back to the surface. If production isn't found, he will then be required to set cement plugs across the top of each water zone. I haven't heard from Mr. Sponseller since our telephone conversation.

Mr. Edward A. Nemecek
May 18, 1982
Page 2

Incidentally, on Mr. Sponseller's second location (which is nearby on federal forest lands) we haven't heard from either the U.S.G.S. or the Forest Service on their approval of this application.

The Commission is also willing to cooperate on exchange of information pertaining to tops and bottoms of fresh water aquifers. Perhaps we could set up a meeting with the State Land Department, Bureau of Geology and Mineral Technology, and the U.S.G.S. in a cooperative effort to produce state-wide maps with this type of information.

Sincerely,


A. K. Doss
Executive Director

AKD/vb

April 12, 1982

Mr. James D. Sponseller
Sponseller Construction Co.
310 N. Cota, Ste. "N"
Corona, CA 91720

Re: Lakeside *Alfred*
Permit No. 804

Dear Mr. Sponseller:

Enclosed are approved application for permit, permit, and approved performance bond, and receipt for the referenced well.

Also enclosed are instructions for weekly progress reports and instructions for handling well samples.

Incidentally, ten foot samples are required from surface for the Sponseller 1 Sponseller well, permit 802.

If we can be of further service, please advise.

Sincerely,

R. A. Ybarra
Enforcement Director

/os
Encl.



Surety Insurance Company
of California

RECEIVED *AKO*
APR 9 1982
O & G CONS. COMM.

R I D E R

BOND NO. 530201

To be attached to and form a part of PERFORMANCE BOND
dated the 19th day of
MARCH, 1982, issued by SURETY INSURANCE
COMPANY OF CALIFORNIA, as Surety, on behalf of
GAIL W. SPONSELLER,
as Principal, in the penal sum of FIVE THOUSAND AND NO/100
DOLLARS (\$5,000.00)
and in favor of THE STATE OF ARIZONA AND THE OIL AND GAS CONSERVATION COMMISSION

In consideration of the premium charged for this bond, it is under-
stood and agreed that the Surety Insurance Company of California
consents that effective from the 19th day of MARCH, 1982,
said bond shall be amended as follows:

DELETE THAT SECTION OF JOB DESCRIPTION WHICH READS:
E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$

Provided, however, that the attached bond shall be subject to all
its agreements, limitations and conditions except herein expressly
modified, and further that the liability of the Surety under the
attached bond and the bond amended by this Rider shall not be
cumulative.

SIGNED, SEALED AND DATED THIS 6th DAY OF APRIL, 1982.

GAIL W. SPONSELLER

BY: _____

SURETY INSURANCE COMPANY OF CALIFORNIA

BY: Nancy Flores

Nancy Flores

Attorney-in-Fact



Surety Insurance Company of California

"The Dollars and Sense Surety"

HOME OFFICE IN LA HABRA, CALIFORNIA

Box 2430
La Habra, California 90631

RECEIVED
APR 9 1982

CERTIFIED COPY OF POWER OF ATTORNEY

O & G CONS. COMM.

No. 2602

Know all men by these presents: That Surety Insurance Company of California, a California Corporation, having its principal Office in the City of La Habra, County of Orange, State of California, pursuant to the following By-Laws which were adopted by the Directors of the said Company on the 9th day of April, 1969 and are now in effect, to-wit:

"Article IV, Section 7(b). The President shall have power and authority to appoint Attorneys-In-Fact, and authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity, and other writings obligatory in the nature thereof, and he may at any time in his judgment remove any such appointees and revoke the authority given to them."

Has made, constituted and appointed and by these presents does make, constitute and appoint

Nancy Flores

of

La Habra, California

its true and lawful agent and attorney-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed, all of the following classes of documents, to wit:

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, surety and fidelity bonds.

THE AUTHORITY OF THIS POWER OF ATTORNEY IS LIMITED TO

One Hundred Twenty-Five Thousand Dollars (\$125,000.00)

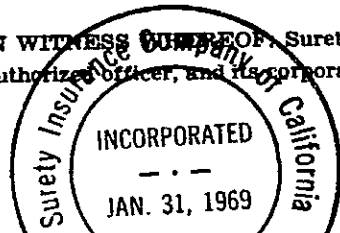
FOR ANY SINGLE BOND.

THIS POWER OF ATTORNEY IS VALID ONLY FOR A BOND OR UNDERTAK-

ING EXECUTED PRIOR TO December 31, 1982

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in La Habra, California in their own proper persons.

IN WITNESS WHEREOF, Surety Insurance Company of California has caused these presents to be signed by its duly authorized officer, and its corporate seal to be hereunto affixed this 6th day of November, 1981.



SURETY INSURANCE COMPANY OF CALIFORNIA

By

John F. Merrill
John F. Merrill
President

STATE OF CALIFORNIA
COUNTY OF ORANGE

SS:

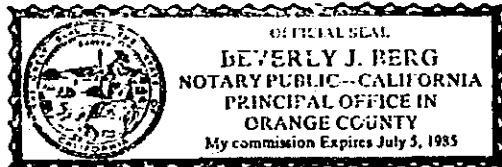
On this 6th day of November A.D. 1981, before the subscriber, a Notary Public of the State of California, in and for the County of Orange, duly commissioned and qualified, came John F. Merrill, President of SURETY INSURANCE COMPANY OF CALIFORNIA, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation, and that Article IV, Section 7(b) of the By-Laws of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the City of La Habra, the day and year first above written.

Beverly J. Berg
Beverly J. Berg

Notary Public

CERTIFICATION



I, the undersigned, certify that I am the Secretary of SURETY INSURANCE COMPANY OF CALIFORNIA and that the Power of Attorney remains in full force and effect, and has not been revoked; and furthermore that Article IV, Section 7(b) By-Laws of said company as set forth in said Power of Attorney, are now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company

this 6th day of APRIL, 1982
(SEAL)

Phillip R. Gilbert

Secretary, Phillip R. Gilbert

THIS DOCUMENT EXECUTED
In 2 Originals
This is 2 of 2

PERFORMANCE BOND
KNOW ALL MEN BY THESE PRESENTS

RECEIVED

MAR 29 1982

O & G CONS. COMM.

Bond Serial No. 530201

That we: GAIL W. SPONSELLER

of the County of RIVERSIDE in the State of CALIFORNIA

as principal, and SURETY INSURANCE COMPANY OF CALIFORNIA

of CALIFORNIA

AUTHORIZED TO DO BUSINESS WITHIN THE STATE OF ARIZONA.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of FIVE THOUSAND AND NO/100 Dollars (\$5,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

T9N R22E, NAVAJO COUNTY, ARIZONA STATE, SECTION 36. E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
30 ACRES. NE $\frac{1}{4}$ SE $\frac{1}{4}$ 40 ACRES. E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ 10 ACRES. TOTAL 80 ACRES.

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On this 19th day of MARCH, 19 82, before me
personally came NANCY FLORES

to be known, who being by me duly sworn, did depose and say: that he is Attorney-in-Fact of Surety Insurance Company of California, the Corporation described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority granted to him in accordance with the By-Laws of the said Corporation, and that he signed his name thereto by like authority.

Kerry A. Gerber
(Notary Public)

THIS DOCUMENT EXECUTED
In 2 Originals.
This is 2 of 2

PERFORMANCE BOND
KNOW ALL MEN BY THESE PRESENTS

RECEIVED

MAR 29 1982

O & G CONS. COMM.

Bond Serial No. 530201

That we: GAIL W. SPONSELLER
of the County of RIVERSIDE in the State of CALIFORNIA
as principal, and SURETY INSURANCE COMPANY OF CALIFORNIA
of CALIFORNIA

AUTHORIZED TO DO BUSINESS WITHIN THE STATE OF ARIZONA.
as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of FIVE THOUSAND AND NO/100 Dollars (\$5,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:
T9N R22E, NAVAJO COUNTY, ARIZONA STATE, SECTION 36. E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
30 ACRES. NE $\frac{1}{4}$ SE $\frac{1}{4}$ 40 ACRES. E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ 10 ACRES. TOTAL 80 ACRES.
(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 19th day of MARCH, 1982.

GAIL W. SPONSELLER

Principal

WITNESS our hands and seals, this 19th day of MARCH, 1982.

SURETY INSURANCE COMPANY OF CALIFORNIA

Nancy Flores
Nancy Flores Attorney-in-Fact
(Surety, Resident Arizona Agent
If issued in a state other than Arizona)

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved
Date 4-12-82
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: R. G. yfana

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Bond

File Two Copies

Form No. 2

Permit No. 804



Surety Insurance Company of California

"The Dollars and Sense Surety"

Box 2430
La Habra, California 90631

HOME OFFICE IN LA HABRA, CALIFORNIA

RECEIVED
MAR 29 1982

O & G CONS. COMM.

CERTIFIED COPY OF POWER OF ATTORNEY

No. 2602

Know all men by these presents: That Surety Insurance Company of California, a California Corporation, having its principal Office in the City of La Habra, County of Orange, State of California, pursuant to the following By-Laws which were adopted by the Directors of the said Company on the 9th day of April, 1969 and are now in effect, to-wit:

"Article IV, Section 7(b). The President shall have power and authority to appoint Attorneys-In-Fact, and authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity, and other writings obligatory in the nature thereof, and he may at any time in his judgment remove any such appointees and revoke the authority given to them."

Has made, constituted and appointed and by these presents does make, constitute and appoint

Nancy Flores

La Habra, California

its true and lawful agent and attorney-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed, all of the following classes of documents, to wit:

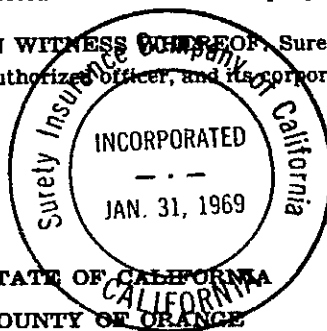
Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, surety and fidelity bonds.

THE AUTHORITY OF THIS POWER OF ATTORNEY IS LIMITED TO
One Hundred Twenty-Five Thousand Dollars (\$125,000.00)
FOR ANY SINGLE BOND.

THIS POWER OF ATTORNEY IS VALID ONLY FOR A BOND OR UNDERTAKING
EXECUTED PRIOR TO December 31, 1982

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in La Habra, California in their own proper persons.

IN WITNESS WHEREOF, Surety Insurance Company of California has caused these presents to be signed by its duly authorized officer, and its corporate seal to be hereunto affixed this 6th day of November, 1981.



SURETY INSURANCE COMPANY OF CALIFORNIA

By

John F. Merrill
President

STATE OF CALIFORNIA
COUNTY OF ORANGE

SS:

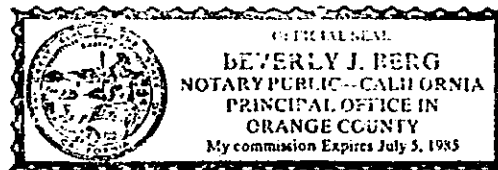
On this 6th day of November, A.D. 1981, before the subscriber, a Notary Public of the State of California, in and for the County of Orange, duly commissioned and qualified, came John F. Merrill, President of SURETY INSURANCE COMPANY OF CALIFORNIA, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation, and that Article IV, Section 7(b) of the By-Laws of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the City of La Habra, the day and year first above written.

Beverly J. Berg

Notary Public

CERTIFICATION



I, the undersigned, certify that I am the Secretary of SURETY INSURANCE COMPANY OF CALIFORNIA and that the Power of Attorney remains in full force and effect, and has not been revoked; and furthermore that Article IV, Section 7(b) By-Laws of said company as set forth in said Power of Attorney, are now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company

this 19th day of MARCH, 1982
(SEAL)

Secretary, Phillip R. Gilbert

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

Gail W. Sponseller

Post Office Address (Box or Street Address)

P O Box 488, Corona, CA 91720 (714) 735-6748

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Individual

Purpose of Organization (State type of business in which engaged)

wildcat oil drilling

If a reorganization, give name and address of previous organization.

NONE

If a foreign corporation, give
(1) State where incorporated

None

(2) Name and post office address of state agent

(3) Date of permit to do business in state

Principal Officers or Partners (if partnership)
NAME

TITLE

POST OFFICE ADDRESS

Individual

DIRECTORS NAME

POST OFFICE ADDRESS

Individual

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Individual of the Individual (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

Date

3-11-84

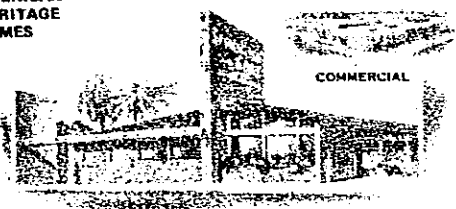
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Organization Report

File One Copy

Form No. 1

AMERICAN
HERITAGE
HOMES



RECEIVED

APR 9 1982

D & G CONS. COMM.

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1411 NORTH PORTLAND ST.
WINDSOR 4-2655

GENERAL OFFICES: 310 N. Cota, Suite "N" — Corona, California 91720
(714) 735-6748

4-7-82

Mr. Ybarra

Our Insurance company is mailing you a rider, deleting the
E. $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ from our bond.

Inclosed is our corrected copies of Appl. for permit to drill
and Maps.

Thank You,


James D. Sponseller

March 30, 1982

Mr. Gail W. Sponseller
P.O. Box 488
Corona, Calif. 91720

Dear Mr. Sponseller:

As per our telephone conversation today, I am returning Forms 2 and 3 (with accompanying map). Please make corrections as shown in red on copies of original submittals and refile.

If you have any questions, please call.

Sincerely,

R. A. Ybarra
Enforcement Director

RAY:os
Enc.

MEMORANDUM

TO A. K. DOSS

DATE March 19, 1982

FROM Gail W. Sponseller

RE _____

ENCLOSED PLEASE FIND TWO (2) MAPS OF DRILLING HOLE LOCATION.

RECEIVED

MAR 22 1982

O & G CONS. COMM.

Jim
(714) 735-6748

OK
RAY
WLB
OS